

## DIVERSITY NEWS

February 2007

**Thomas:** There's a popular saying in management circles that... "What gets measured... gets done."

**Yvonne:** There's a lot of truth in that... and it's just as true for diversity management as it is for any other management concern.

**Thomas:** Effective measures of diversity management can help guide decision making... and can serve as a basis for evaluating performance...for organizations as well as for individuals.

**Yvonne:** But how do we measure the management of diversity? how do we make diversity management accountable?

**Thomas:** In this edition of diversity news, we'll take a look at several different ways to measure the impact of diversity management on organizational performance.

**Yvonne:** In his book, *The Diversity Scorecard: Evaluating the Impact of Diversity on Organizational Performance*, Edward E. Hubbard provides step-by-step instructions for measuring the progress and the impact of diversity initiatives.

As outlined by Dr. Hubbard, a diversity scorecard might include measurements related to leadership commitment, workforce demographics, workplace climate or culture, employee development, customer diversity and community partnerships, and the financial impact of diversity initiatives.

Measures of leadership commitment involve an analysis of actions taken by leaders to support, challenge, and champion the diversity process.

Measures of workforce demographics involve an analysis of personnel and personnel actions by race, gender, ethnicity, age, disability, veteran status, and other demographic characteristics.

Measures of workplace climate or culture involve an analysis of the workplace in terms of employee satisfaction and commitment, perceptions of climate and culture, grievances and complaints.

Measures of learning and growth involve an analysis of efforts to create a climate that supports change, innovation, growth, and improved performance.

Measures of customer diversity and community partnerships involve an analysis of relationships with various groups or communities, in terms of products and services provided, specialized needs, and responsiveness.

And measures of financial impact involve an analysis of money saved (or value added) as a direct or indirect result of diversity initiatives.

Dr. Hubbard suggests choosing a few specific measures in each category, in order to build a balanced scorecard.

**Thomas:** Dr. Hubbard defines diversity leadership commitment as “demonstrated evidence and actions taken by leaders to support, challenge, and champion the diversity process within their organization.”

Diversity leadership commitment is reflected in the degree to which an organization's leaders set the diversity vision, direction, and policy into actual practice.

Diversity leadership commitment also is evidenced by the level and degree of accountability that leaders have in the implementation of diversity strategies.

And diversity leadership commitment is demonstrated by specific behavior that leaders exhibit as models or champions of diversity.

From an organizational change point of view, according to Dr. Hubbard, diversity leadership commitment is the behavior that helps establish a direction or goal for change, provides a sense of urgency and importance for that vision, facilitates the motivation of others, and cultivates the necessary conditions for success.

So, how do we measure diversity leadership commitment? Dr. Hubbard has several suggestions, including:

360-degree feedback on diversity leadership competencies and commitment.

Climate assessments survey responses to questions about leadership accountability for (and commitment to) diversity initiatives.

The number or percentage of employees who have individual development plans.

The number or percentage of employees who are involved in mentoring programs.

The number or percentage of executives, managers, and supervisors who have participated in diversity training.

And the degree to which diversity goals are attained.

**Yvonne:** On the diversity scorecard, a “diversity workforce profile” would include measures of the organization’s personnel makeup, sorted by key demographic variables.

This would include an analysis of personnel—and personnel actions—by race, gender, ethnicity, age, and disability. It might also include other parameters of interest, such as veteran status, religion, sexual orientation, and organizational level.

This information is tracked to determine if the organization’s employee population mirrors the demographic dimensions of its community and customer base. And to ensure that personnel decisions are free from bias.

Data for the diversity workforce profile index could come from a variety of sources inside and outside of the organization, including:

Internal recruitment processes, external recruitment processes, EEO and affirmative action statistics, turnover statistics, and external databases for comparative statistics.

Data on internal recruiting processes focus on promotions, transfers, committee memberships, and work team assignments. For example: the percentage of promotions that go to women, to minorities, to people with disabilities, to people older than 40, etc.

Data on external recruiting processes focus on the resources used to reach or to identify job candidates and on the demographics of the people who apply, the people who are interviewed, and the people who ultimately get hired.

EEO and affirmative action statistics include data on, for example, the percentages of executives and managers who are women, minorities, people with disabilities, or older than 40. And voluntary turnover by age, race, gender, ethnicity, and ability.

External databases for comparative statistics include the demographics of the relevant civilian labor force. And, for the Department of Veterans Affairs, the demographics of the veteran population, and the demographics of the active military.

**Thomas:** In Dr. Hubbard’s model of a diversity scorecard, the workplace culture or climate profile includes measures of employee satisfaction and commitment, employee perceptions of workplace climate and culture, employee perceptions of leadership and management practices, and employee grievances and complaints.

This information is tracked to determine if the organization's workplace is inclusive, with key diversity management processes and systems in place, in order to sustain the diversity strategic change process.

Employee satisfaction surveys measure the degree to which employees feel satisfied with their organization, their jobs, their supervisors, their coworkers, and other issues. Employee satisfaction affects absenteeism and turnover, both of which are often linked to the rationale for conducting diversity initiatives.

Employee commitment surveys measure the degree to which employees align with their organization's goals, values, philosophy, and practices. High levels of organizational commitment often correlate with high levels of productivity and performance.

Workplace climate surveys measure employee perceptions concerning communication, openness, trust, and quality of feedback.

Cultural audits measure employee perceptions about the traits, practices, and processes reinforcing the behavior that employees believe are expected of them in order to "fit in."

Participation rates in work/life programs may be affected more by employee's perceptions of what behavior is valued than by their knowledge of what behavior is allowed.

The number and type of employee complaints and grievances is also an important measure of the workplace culture and climate.

**Yvonne:** Dr. Hubbard points out that learning and growth are critical elements for organizational renewal and progress.

If an organization wants an effective, high-performance, diverse workforce, then employee-centered systems, processes, and procedures must be in place... to build, maintain, and enhance learning and growth.

In Dr. Hubbard's model of a diversity scorecard, the "learning and growth" profile includes measures of the organization's efforts to maintain and enhance the capabilities of its workforce.

According to Dr. Hubbard, organizational learning and growth come from three principal sources: people, systems, and organizational procedures.

The learning and growth profile of the diversity scorecard, therefore, should address the organization's priorities related to creating a climate that supports personal and organizational change.

Measures of learning and growth indicate whether employees have the right skills, can access appropriate information, and are motivated and aligned with organizational goals.

Examples of statistics for measuring learning and growth include:

The number or percentage of employees who are competent in a particular skill or subject area.

The number or percentage of employees who have an advanced degree in a subject related to a core competency.

The number or percentage of employees who have access to e-mail accounts.

The number or percentage of employees with personal computers.

The number or percentage of employees who have an individual development plan.

And the number or percentage of employees who respond favorably to survey questions addressing learning and growth opportunities.

**Thomas:** In Dr. Hubbard's model of a diversity scorecard, the customers and community partnerships profile involves an analysis of the organization's relationships with various groups or communities—in terms of products, services, responsiveness, or specialized needs.

This would include an analysis of the organization's relationships with Asians, African Americans, Hispanics, Native Americans, women, people with disabilities, people who are gay, lesbian, bisexual, or transgender, and any other group with which the organization has a significant relationship.

In addition, it would include an analysis of procurement and contracting activity, as well as philanthropy levels (by community).

This information is tracked to determine if the organization is in tune with, and in touch with, its customers, its suppliers, and the communities in which it operates.

Examples of statistics for measuring the diversity of customers and community partnerships include:

The dollar amount or percentage of contracting or subcontracting that goes to minority-owned businesses.

The dollar amount or percentage of contracting or subcontracting that goes to women-owned businesses.

The dollar amount or percentage of charitable contributions that go to diversity-related organizations.

The number or percentage of satisfied customers (by demographic group).

And the number or percentage of customer complaints (by demographic group).

**Yvonne:** In Dr. Hubbard's model of a diversity scorecard, the "financial impact" profile involves an analysis of money saved (or value added) as a direct or indirect result of diversity initiatives.

Dr. Hubbard points out that mismanaging people can be expensive. Failure to treat all employees with respect, with dignity, and with policies and procedures that are viewed as fair by all concerned can lead to a host of negative outcomes. For example, the cost of investigating and litigating employee complaints and grievances.

For government agencies, Dr. Hubbard sees financial measures as either enablers of customer service or as constraints within which an organization must operate.

For government agencies, financial measures balance the goal of customer service with the goals of fiscal accountability and responsibility.

Examples of statistics for measuring financial impact include:

Diversity's return on investment (that is, the benefits of diversity initiatives divided by their costs); diversity expenses per employee; diversity expenses as a percentage of total expenses; turnover costs; costs associated with employee complaints or grievances; and costs associated with recruiting and hiring.

**Yvonne:** If you'd like more information, look for a copy of the book at your favorite book vendor or in your neighborhood library. It's *The Diversity Scorecard: Evaluating the Impact of Diversity on Organizational Performance*, by Edward E. Hubbard.

**Thomas:** That's all we have time for in this edition of Diversity News. We appreciate your watching, and we hope you'll tune in again next month.

Until then, for more frequent updates of diversity news, sign up for our free weekly e-mail news service, NewsLink. Just send an e-mail message to [dmeeo@va.gov](mailto:dmeeo@va.gov), with the words "subscribe news" in the subject line.

**Yvonne:** And check out our bimonthly newsletter, Diversity@Work, available as a download on our Web site or by e-mail from our office.

Also, we want to hear from you! If you'd like to share your story ideas, comments, or suggestions, please e-mail us at [dmeeo@va.gov](mailto:dmeeo@va.gov) with the words "Diversity News" in the subject line.

Until next time...

**Both:** Have a great month!